



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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October 15, 2001

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley  
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT**

The Employee Fraud Hotline opened 80 new investigations during the period ending September 30, 2001. We closed 111 cases of which 24 were substantiated, 82 were not substantiated and 5 were not investigated due to insufficient information (see Attachments I, II, and III for details). As of September 30, 2001, 220 investigations were in progress.

Based on the 24 substantiated cases, the following personnel actions were taken (some cases involved more than one individual):

|                    |   |
|--------------------|---|
| Prosecuted         | 4 |
| Dismissed          | 4 |
| Resigned           | 2 |
| Counseled          | 3 |
| Procedures Changed | 2 |
| Pending            | 9 |

If you have any questions or need additional information, please contact me or your staff may contact Kris Kademian at (213) 893-2172.

Attachments

c: David E. Janssen, Chief Administrative Officer  
Department Heads  
Audit Committee

**Auditor-Controller  
Special Investigations Summary  
July 1, 2001 through September 30, 2001**

**SUMMARY OF SUBSTANTIATED/ACTION TAKEN CASES**

**CASES INVESTIGATED BY THE AUDITOR-CONTROLLER**

**19990200**

Several Department of Children and Family Services care providers were paid without submitting proof of service. The District Attorney is reviewing the case for possible criminal charges.

**20010238**

A Department of Public Works (DPW) employee solicited money from a vendor to run an errand for them. Disciplinary action is pending.

**20010284**

A Department of Health Services (DHS) manager used his County computer to access child pornography on the Internet. Additionally, several other DHS employees also used their County computers to access pornography on the Internet. The City Attorney's Office has filed 33 misdemeanor counts against the DHS manager, who was also dismissed from County employment. Disciplinary action is pending against the other employees.

**20010314**

A Department of Military and Veteran's Affairs employee misappropriated \$2,468. The employee was dismissed.

**20020029**

A Los Angeles Homeless Services Authority contractor had not established programs required under the contract. They were also in violation of the Americans with Disabilities Act because the facility was not wheelchair accessible. The contractor has taken corrective action.

**20020074**

An Internal Services Department employee stole a County laptop computer. The District Attorney declined to prosecute. Disciplinary action is pending.

**CASES REFERRED TO AND INVESTIGATED BY THE DEPARTMENTS**

**19980130**

A Department of Public Social Services (DPSS) employee committed welfare fraud. The employee was dismissed.

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**SUMMARY OF SUBSTANTIATED/ACTION TAKEN CASES**

**19990049**

A DPSS employee forged the signatures of several supervisors and issued transportation funds to recipients. Disciplinary action is pending.

**19990321**

A DPSS employee accessed confidential case information on the welfare computer system. Disciplinary action is pending.

**20000084**

A DHS employee falsified patient charts. The employee was dismissed.

**20000093**

A DPSS employee committed welfare fraud. The employee was dismissed.

**20000145**

A DPSS employee helped a relative apply for food stamps. Disciplinary action is pending.

**20000244**

A District Attorney employee accessed confidential information on a County computer without authorization. The employee was sentenced to three years probation, ordered to pay \$100 restitution, and serve one hundred hours of community service.

**20010018**

A DPSS employee was playing games on a County computer and bringing a granddaughter to work without authorization. The employee was counseled.

**20010050**

DHS management hired several employees without conducting health screening tests and background security clearances. Procedures have been changed.

**20010107**

A DHS Public Health Inspector was offered a bribe by a restaurant owner. The Inspector declined the bribe and reported the incident to his Department. The restaurant owner was counseled.

**20010108**

A DPSS employee committed welfare fraud. The employee was sentenced to 16 months in state prison.

**20010143**

A DPSS employee failed to disclose that she was receiving Medi-Cal on her employment application. Disciplinary action is pending.

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**SUMMARY OF SUBSTANTIATED/ACTION TAKEN CASES**

**20010158**

Two DHS employees inappropriately provided medication to patients. Disciplinary action is pending.

**20010228**

A DPSS employee fraudulently manipulated another employee's timecard. Disciplinary action is pending.

**20010274**

A DPSS employee committed Food Stamp fraud. The employee was convicted and sentenced to 30 days in jail, 60 months of summary probation, 150 hours of community service, and ordered to pay \$23,121 in restitution and \$200 to the Victim's Restitution Fund.

**20010318**

A Superior Court employee embezzled unlawful detainer payments. The District Attorney filed criminal charges and the employee resigned.

**20010342**

A DPSS employee committed welfare fraud. The employee resigned.

**20010357**

A DPW employee made inappropriate remarks to his subordinates. The employee was counseled.

**Auditor - Controller**  
**Special Investigations Summary**  
**July 1, 2001 To September 30, 2001**

Attachment II

**SUMMARY OF UNSUBSTANTIATED CLOSED CASES**

| Department                              | Work<br>Hour<br>Abuse | Theft           | Other            | Total            |
|---|-----------------------|-----------------|------------------|------------------|
| Children and Family Services            | 0                     | 0               | 4                | 4                |
| Community & Senior Services             | 0                     | 0               | 1                | 1                |
| Consumer Affairs                        | 0                     | 0               | 1                | 1                |
| County Public Library                   | 0                     | 0               | 2                | 2                |
| Department of Parks and Recreation      | 0                     | 0               | 1                | 1                |
| Department of Public Social Services    | 4                     | 0               | 23               | 27               |
| Department of Public Works              | 0                     | 0               | 1                | 1                |
| Department of Registrar-Recorder/County | 0                     | 0               | 1                | 1                |
| District Attorney                       | 0                     | 0               | 1                | 1                |
| Health Services                         | 10                    | 1               | 23               | 34               |
| Internal Services Department            | 0                     | 1               | 3                | 4                |
| Museum of Natural History               | 0                     | 0               | 1                | 1                |
| Probation Department                    | 0                     | 0               | 2                | 2                |
| Sheriff's Department                    | 0                     | 0               | 1                | 1                |
| Superior Court                          | 0                     | 0               | 1                | 1                |
| <b>TOTAL</b>                            | <b><u>14</u></b>      | <b><u>2</u></b> | <b><u>66</u></b> | <b><u>82</u></b> |

**Auditor - Controller  
Special Investigations Summary  
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Attachment III

**SUMMARY OF CLOSED CASES**

|                   | Auditor-Controller |        | Departments |        | Total      |        |
|-------------------|--------------------|--------|-------------|--------|------------|--------|
| Substantiated     | 6                  | (100%) | 18          | (17%)  | 24         | (22%)  |
| Not Substantiated | 0                  | (0%)   | 82          | (78%)  | 82         | (74%)  |
| Not Investigated  | 0                  | (0%)   | 5           | (5%)   | 5          | (4%)   |
| Totals            | <u>6</u>           | (100%) | <u>105</u>  | (100%) | <u>111</u> | (100%) |